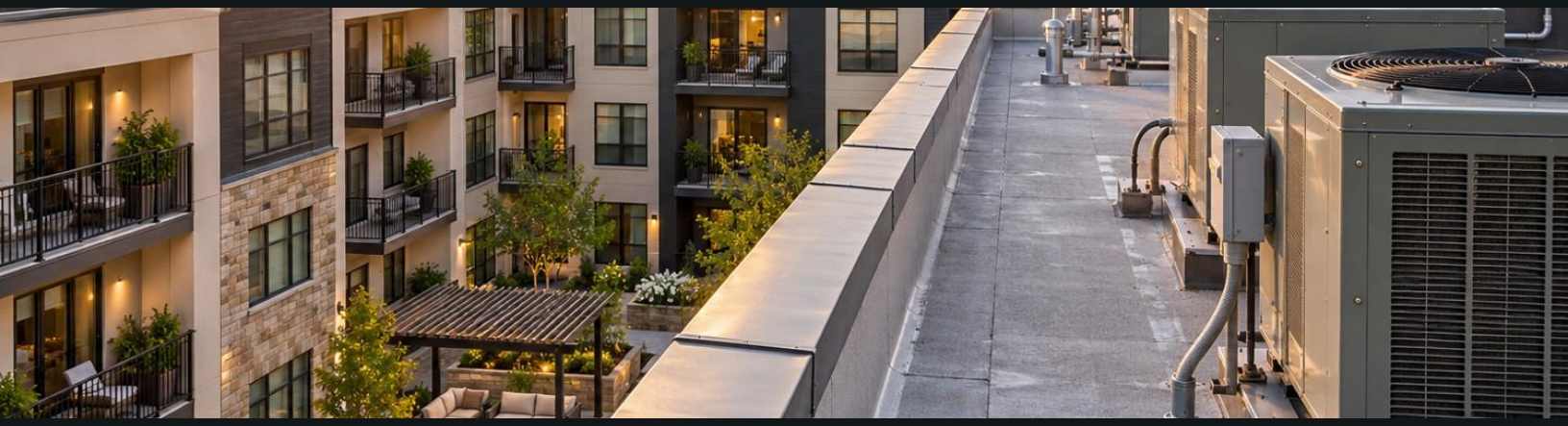


Mixed-Use Commercial Advantage

A commercial financing route for a building with more than one use.

COMMERCIAL MIXED-USE | FIXED OR ARM OPTIONS

Who it is for

Investors buying or refinancing eligible storefront-and-apartment buildings that need a commercial route beyond a residential mixed-use program. This option is distinct from the existing Mixed-Use Rental Advantage lane; unit mix, commercial use and the complete property file determine the appropriate review.

Ideal properties and transactions

A mixed-use investment with identifiable residential and commercial income, legal uses and a clear ownership strategy. Explain the property's unit counts, floor areas, occupancy and tenant businesses. The flyer does not publish a universal commercial-space percentage or unit-count ceiling, so establish property fit before relying on a loan structure.

Credit, experience and liquidity

The flyer describes project-based capacity, property-based leverage, credit review and cash-flow qualification. It identifies thirty-year fixed or five-year ARM options. No numeric loan maximum, LTV cap, minimum credit score or minimum DSCR is stated. Confirm the available combination rather than importing limits from the residential mixed-use program. Explain ownership and management experience, other obligations and the cash cushion available after closing. Ask for the specific reserve and verification rules applicable to your file.

BRING THE COMPLETE MIXED-USE SCENARIO

Property + rent + value + requested loan + ownership strategy

Subject to underwriting. Not a commitment to lend. Images are AI-generated and illustrative.

Mixed-Use Commercial Advantage | Planning guide

Leverage and valuation framework

Compare the requested financing with the lender's accepted property value and applicable transaction limits. A purchase, rate-and-term refinance and cash-out request can have different requirements. Identify existing liens, closing costs and any prepayment obligation before estimating net proceeds. Ask how commercial space, tenant mix and marketability affect the valuation approach. A high asking price or projected rent does not by itself establish an accepted lending value.

Income and operating review

Separate residential leases from commercial leases and review actual collections, vacancy, concessions and landlord-paid expenses. Commercial lease expirations, tenant improvements, renewal options and expense reimbursements can materially affect the operating picture. Ask how the lender measures qualifying income and debt service rather than assuming a residential rent-to-payment formula applies.

Structure and documentation approach

Compare the fixed-rate and ARM options over your expected holding period. Ask about amortization, maturity, the ARM index and margin, adjustment timing, caps, prepayment costs, fees and guarantees. A five-year ARM label alone does not establish the full maturity or the payment after adjustment. Model both current and higher future debt service.

Property and location considerations

Confirm zoning, legal uses, unit configuration, access and insurance suitability. Disclose the commercial tenants' activities and any special occupancy, environmental or building-system concerns early. Review lease terms and responsibility for utilities, repairs and common areas. Confirm any commercial-area or residential-unit restrictions with Karpata; no universal threshold is established here. Verify state availability and property condition requirements before relying on a closing timetable.

Holding period, exits and stress tests

Choose a holding period and compare the proposed loan with any planned sale or refinance. Model a vacant storefront, apartment turnover, a major repair and higher financing costs. Include taxes, insurance, management, maintenance and transaction costs in the operating plan. Ask about maturity, prepayment, extension or adjustment provisions and any guarantees. Future refinancing depends on then-current value, income, property condition and lending terms, and is not guaranteed.

Documentation to prepare

Prepare a property description, unit and floor-area schedule, leases, rent roll and the operating information requested for the selected commercial route. Include current debt and payoff information for a refinance, acquisition documents for a purchase, and details of the commercial tenants and permitted uses. Send sensitive identity and financial information only through Karpata's specified secure process rather than in a public quote request. Explain unusual conditions and identify information still pending.

Limitations and questions to resolve

All terms require borrower, credit, property and program approval. Capacity and conditions may not apply together. Confirm pricing, fees, guarantees, reserves, permitted use of proceeds, funding conditions and repayment terms in writing. Program names and reduced-documentation descriptions are starting points for review rather than loan commitments. This is business-purpose real estate financing, not a consumer home mortgage. Final approved documents govern the transaction.

LET'S REVIEW YOUR NEXT RENTAL PROPERTY

Request a quote | KarpataFinance.com | 480-846-1001

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